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INFORMATION REPORT INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
SUBJECT	Reduction of Labor Force in SDAG Wismut; Attempts to Place Former Wismut Employees in Farming and Coal Mining; Increased Bonuses for Coal Miners	DATE DISTR.	29 MAY
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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. During 1957 some 17,000 workers are to be discharged by SDAG Wismut, the East German-Russian uranium mining monopoly. This reduction is attributed to increased use of machinery and the need to reduce costs.¹

2. The above reduction affects the following ~~branches~~ and areas:

Objekt 1	Johanngeorgenstadt	4,200
Objekt 2 and 9	Schneeberg	6,800
Objekt 100	Aue	600
Objekt 6	Auerbach	2,700
Objekt 32	Klingenthal	700
Hq.	Entire area	1,000

3. The East German authorities are attempting to place the discharged workers in jobs where they will be of most use: bituminous coal mining, brown coal mining, and farming. These efforts are faced with great difficulties: the Wismut workers have enjoyed high pay scales and many other privileges; many of them have homes and families in areas where there are no job opportunities; if the Wismut workers are moved to another area to work, the people presently performing service functions in the Wismut area would lose their raison d'être and all the housing and other facilities built for Wismut would be wasted. It has been proposed that other state enterprises be moved in to absorb the workers and exploit the facilities.

4. During the period 1 January - 26 March 1957 the bituminous coal mines were able to hire 507 Wismut workers out of a total of 1,061 new workers, but they lost 900 workers during the same period, and the sick rate was running at 12%.

450 workers agreed to accept jobs in brown coal mining. 3,390 Wismut workers discharged during the first two months of 1957 refused to accept the new jobs offered them. The government has no record of where most of these workers have gone.

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5. To make work in the coal mines more attractive, Fritz Selbmann, deputy chairman of the Council of Ministers, issued a new directive on the payment of bonuses to miners 28 March 1957. This order cancels the directive of 6 September 1956 on work norms. Effective 1 April 1957 brown coal bonuses are as follows:

Percent Bonus

<u>% fulfillment of plan</u>	<u>Briquette Production</u>	<u>Overburden Removal</u>	<u>Coal Production</u>
97.0	5	4.0	3.0
97.5	6	4.5	3.5
98.0	7	5.0	4.0
98.5	8	5.5	4.5
99.0	9	6.0	5.0
99.5	10	6.5	5.5
100.0	11	7.0	6.0
100.5	12	7.5	6.5
101.0	13	8.0	7.0
101.5	14	8.5	7.5
102.0	15	9.0	8.0
102.5	16	10.0	8.5
103.0	17	11.0	9.0
103.5	18	12.0	9.5
104.0	19	13.0	10.0
104.5	20	14.0	10.5
105.0	21	15.0	11.0
105.5	22	15.5	11.5
106.0	-	16.0	12.0
106.5	-	16.5	12.5
107.0	-	17.0	13.0
107.5	-	17.5	13.5
108.0	-	18.0	14.0
108.5	-	18.5	14.5
109.0	-	19.0	15.0
109.5	-	19.5	15.5
110.0	-	20.0	16.0

For less than 97% of plan no bonus is paid. Briquettes have to maintain quality standards to justify payment of bonus.

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Comment: The "need to reduce costs" may be a result of the recent German-Russian renegotiation of the terms of payment.

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